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November 5, 1999

The Honorable Donald M. McGlothlin, Jr.
Chief Judge of the Circuit Court
Lebanon, Virginia

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statement of assets and liabilities arising from cash transactions of

MATTHEW J. CODY, JR.
GENERAL RECEIVER OF THE CIRCUIT COURT
of the
COUNTY OF RUSSELL

as of March 31, 1998, and the related statement of cash receipts and disbursements for the period January 1, 1996 through March 31, 1998. All records supporting these financial statements are the responsibility of the General Receiver. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, these financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of the General Receiver of the Circuit Court of the County of Russell, as of March 31, 1998, and the cash receipts and disbursements for the period January 1, 1996 through March 31, 1998, on the basis of accounting described in Note 1.

AUDITOR OF PUBLIC ACCOUNTS

WJK:aom

aom:9

COUNTY OF RUSSELL
GENERAL RECEIVER OF THE CIRCUIT COURT
STATEMENT OF ASSETS AND LIABILITIES

As of March 31, 1998

Exhibit A

A S S E T S

Cash	\$1,575,569
Bonds	<u>13,500</u>

\$1,589,069

L I A B I L I T I E S

Trust funds	<u>\$1,589,069</u>
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The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF RUSSELL
GENERAL RECEIVER OF THE CIRCUIT COURT
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

For the Period January 1, 1996 through March 31, 1998

Exhibit A-1

	Balance January 1, 1 9 9 6	Receipts	Disburse- ments	Balance March 31, 1 9 9 8
Trust funds	\$ 1,109,495	\$ 856,298	\$ 376,724	\$ 1,589,069
Bond premium account	-	6,854	6,854	-
Total receipts, disbursements and balances	<u>\$ 1,109,495</u>	<u>\$ 863,152</u>	<u>\$ 383,578</u>	<u>\$ 1,589,069</u>

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF RUSSELL
GENERAL RECEIVER OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
AS OF MARCH 31, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the General Receiver of the Circuit Court of the County of Russell have been prepared using the cash basis of accounting. Under the cash basis of accounting, revenues are recorded when received in cash and disbursements are recorded when made.

2. SURETY BOND

The General Receiver was bonded under a Trust Fund Administrators Bond with the Firemen's Insurance Company of Newark, New Jersey, as surety.